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SOURCE Deutsche Finanzwirtschaft, No 4, 1950.

# 1950 BUDGET PLAN OF THE GERMAN DEMOCRATIC REPUBLIC

On 9 February 1950, the Provisional People's Chamber of the German Democratic Republic resolved to approve the 1950 Budget Plan of the German Democratic Republic, its Laender, and the Landkreise and Stadtkreise (rural and municipal districts), as follows:

A. Budget of the German Democratic Republic (see Table 1 appended)

Million Deutsche Marks

Revenues	13,586.2
Expenditures	13,481.4
Surplus	104.8

### B. Budgets of the Laender (see Table 2)

Million Deutsche Marks

	<u>Revenues</u>	<u>Expenditures</u>
Sachsen	757.2	757.2
Sachsen-Anhalt	628.2	628.2
Thueringen	477.4	477.4
Brandenburg	417.8	417.8
Mecklenburg	475.5	475.5

C. Budgets of the Landkreise and Stadtkreise (see Table 2)

Sachsen	402.5	402.5
Sachsen-Anhalt	356.9	356.9
Thueringen	216.7	216.7
Brandenburg	171.8	171.8
Mecklenburg	142.3	142.3

The Laender will be allotted the following percentages of revenues collected within their boundaries from property and transportation taxes, from consumers' taxes, and from HO (Trade Organization) and other budget income:

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<u>Land</u>	<u>Property and Transportation Taxes</u> (in %)	<u>HO and Other Budget Income</u> (in %)	<u>Duties and Consumers' Taxes</u> (in %)
Sachsen	17.2	10.0	10.0
Sachsen-Anhalt	21.0	15.0	15.0
Thueringen	15.0	22.0	22.0
Brandenburg	30.0	21.0	21.0
Mecklenburg	30.0	30.0	30.0

Funds allotted to the Laender do not include revenue from:

1. Turnover, wage and corporation taxes of the people-owned economy. All revenue derived from such taxes is treated as income of the Republic's budget.

2. Turnover, wage and corporation taxes of the people-owned economy on Land level. The entire revenue derived from such taxes accrues to the budgets of the Laender in which the executive administrations of the VVB (Federations of People-Owned Plants) are located.

From budget funds turned over to the Laender will be deducted any surplus shown by them, as of 31 December 1949, which exceeds the surplus allowed in the 1950 budget.

To enable Land Mecklenburg to balance its budget, a subsidy of 80 million Deutsche marks will be paid to it from funds of the Republic's budget.

In concurrence with the Economic Plan, the financing of investments amounting to 2,350,000,000 Deutsche marks is hereby approved. The composition of these funds will be as follows (in millions of Deutsche marks):

From the budget	1,567.3
From amortizations	266.6
From "own funds"	315.5
Subtotal	2,149.4
Investments for Greater Berlin to be financed from revenue sources of the City of Berlin	200.6
Total	2,350.0

The financial plans for the people-owned economy for 1950 are appended as Tables 3, 4, and 5.

Amortizations will be used for investments and for over-all repairs on a basis of 60 and 40 percent, respectively.

Taxes are broken down as follows:

1. Property and transportation taxes include: income tax (including wage tax and profits tax), corporation tax, property tax, turnover tax, motor vehicle tax, transportation tax, insurance tax, fire protection tax, inheritance tax, real estate tax, lottery tax, and tax on racing bets.

2. Consumers' taxes include: tobacco tax, beer tax, bulk hard-liquor tax, sugar tax, salt tax, tax on matches, flints, etc., tax on petroleum, tax on playing cards, tax on saccharin, tax on electric light bulbs, wicks, candles, and other means of illumination, tax on acetic acid, tax on sparkling wine, and tax on excess turnover.

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Table 1. Consolidated Budget of the German Democratic Republic  
(in million Deutsche marks)

	Republic		Laender		Kreise		Total	
	Revenues	Expenditures	Revenues	Expenditures	Revenues	Expenditures	Revenues	Expenditures
People's representation (Volkvertretung)	--	8.2	--	4.4	--	5.3	--	17.9
President of the Republic	--	2.7	--	--	--	--	--	2.7
Minister President of the Republic and Deputies	0.9	105.1	6.6	82.9	3.7	36.5	11.2	224.5
State Control								
Chief Administrative Office								
Foreign Affairs	0.4	40.0	--	--	--	--	0.4	40.0
Government Administration and Internal Affairs	32.3	825.3	1.2	50.1	5.2	70.1	38.7	945.5
Planning	18.8	111.7	--	--	--	--	18.8	111.7
Finance	605.9	5,469.3	246.1	370.4	60.7	80.4	912.7	5,920.1
Industry	307.0	980.0	65.7	246.2	44.9	60.5	417.6	1,286.7
Agriculture and Forestry	14.8	324.8	307.9	279.9	2.5	23.1	325.2	627.8
Intra-German Trade, Foreign Trade, Material Supply	14.5	580.8	--	--	--	--	14.5	580.8
Trade and Supply	25.2	683.0	10.6	33.7	5.9	65.3	41.7	782.0
Labor and Public Health	1.9	36.0	79.9	513.9	255.9	641.5	337.7	1,191.4
Transportation	1,675.9	1,507.0	4.0	128.4	12.7	61.6	1,692.6	1,697.0
Post Office and Telecom- munications	648.3	393.4	--	--	--	--	648.3	393.4
Reconstruction	0.6	146.6	--	--	--	--	0.6	146.6
Popular Education	34.2	356.7	56.1	843.9	44.5	184.2	134.8	1,384.8
Judiciary	0.4	6.6	47.4	109.7	--	--	47.8	116.3
Transfers	10,205.1	--	--	--	433.5	--	10,638.6	--
<b>Subtotal</b>	<b>13,586.2</b>	<b>11,577.2</b>	<b>825.5</b>	<b>2,663.5</b>	<b>869.5</b>	<b>1,228.5</b>	<b>15,281.2</b>	<b>15,469.2</b>
Financial adjustments								
Between Kreise and communities	--	--	--	--	328.1	33.3	328.1	35.3
Between Laender and Kreise	--	--	26.4	92.6	92.6	26.4	119.0	119.0
Between Republic and Laender	--	1,904.2	1,904.2	--	--	--	1,904.2	1,904.2
Balance for 1951 budget year	--	104.8	--	--	--	--	--	104.8
<b>Total</b>	<b>13,586.2</b>	<b>13,586.2</b>	<b>2,756.1</b>	<b>2,756.1</b>	<b>1,290.2</b>	<b>1,290.2</b>	<b>17,632.5</b>	<b>17,632.5</b>
Including investments		1,180.1		387.2				1,567.3

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Table 2. 1950 Budget of the Laender  
(in million Deutsche marks)

	<u>S a c h s e n</u>		Consolidated Budgets of Landkreise and Stadtkreise	
	Land Budget			
	<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues</u>	<u>Expenditures</u>
People's Representation	--	1.2	--	1.7
Minister President				
Chief Administrative Office	3.4	25.5	1.0	7.2
Internal Affairs	0.4	10.6	2.1	20.0
Finance	55.1	102.8	4.9	13.2
Industry	17.8	80.3	21.2	15.6
Agriculture and Forestry	51.6	55.2	0.7	4.8
Trade and Supply	7.2	8.0	1.8	17.5
Labor and Public Health	27.5	146.9	82.0	219.8
Transportation	0.8	26.8	6.6	21.0
Popular Education	16.8	248.8	16.3	62.5
Judiciary	17.3	36.9	--	--
Transfers	--	--	145.3	--
Subtotal	197.9	743.0	281.9	383.3
Financial adjustments				
Between Kreise and communities	--	--	106.4	15.2
Between Laender and Kreise	4.0	14.2	14.2	4.0
Between Republic and Laender	555.3	--	--	--
Total	757.2	757.2	402.5	402.5

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Sachsen - AnhaltTh u e r i n g e n

Land Budget		Consolidated Budgets of Landkreise and Stadtkreise		Land Budget		Consolidated Budgets of Landkreise and Stadtkreise	
Revenues	Expenditures	Revenues	Expenditures	Revenues	Expenditures	Revenues	Expenditures
--	0.8	--	1.5	--	0.7	--	0.8
1.0	19.8	1.1	9.3	1.2	19.0	0.7	5.6
--	7.4	0.9	20.2	0.2	9.8	0.9	11.4
78.1	90.1	21.2	24.8	54.5	70.9	14.2	15.8
11.1	44.8	14.4	18.8	23.6	32.6	6.2	10.8
82.7	88.1	0.4	5.4	42.0	42.0	0.8	4.3
1.3	8.5	1.9	17.5	0.1	5.3	1.6	14.5
18.5	114.8	79.2	177.8	18.1	98.0	46.4	102.1
1.8	28.9	3.5	17.2	0.3	21.6	2.1	11.8
14.9	194.2	9.2	46.3	9.1	144.2	8.5	31.6
10.3	23.8	--	--	6.3	18.5	--	--
--	--	146.3	--	--	--	68.5	--
219.7	621.2	278.1	338.8	155.4	462.6	149.9	208.7
--	--	71.8	11.1	--	--	52.0	2.2
7.0	7.0	7.0	7.0	5.8	14.8	14.8	5.8
401.5	--	--	--	316.2	--	--	--
628.2	628.2	356.9	356.9	477.4	477.4	216.7	216.7

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<u>Brandenburg</u>				<u>Mecklenburg</u>			
<u>Land Budget</u>		<u>Consolidated Budgets of Landkreise and Stadtkreise</u>		<u>Land Budget</u>		<u>Consolidated Budgets of Landkreise and Stadtkreise</u>	
<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues</u>	<u>Expenditures</u>
--	0.8	--	0.8	--	0.9	--	0.5
0.7	11.9	0.7	9.7	0.3	6.7	0.2	4.7
0.5	12.3	0.8	10.1	0.1	10.0	0.5	8.4
25.7	41.1	15.7	17.7	32.7	65.5	4.7	8.9
8.9	39.5	1.1	9.4	4.3	49.0	2.0	5.9
52.4	49.0	0.2	3.0	79.2	45.6	0.4	5.6
0.4	5.4	0.2	5.4	1.6	6.5	0.4	10.4
12.7	87.3	28.7	73.7	3.1	66.9	19.6	58.1
0.7	28.0	0.4	5.2	0.4	23.1	0.1	6.4
3.1	108.0	1.4	25.7	12.2	148.7	9.1	18.1
8.1	17.4	--	--	5.4	13.1	--	--
--	--	42.4	--	--	--	31.0	--
113.2	400.7	91.6	160.7	139.3	436.0	63.0	137.0
--	--	63.1	4.8	--	--	34.8	2.0
6.3	17.1	17.1	6.3	3.3	39.5	39.5	3.3
298.3	--	--	--	332.9	--	--	--
417.8	417.8	171.8	171.8	475.5	475.5	142.3	142.3

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Table 3. Consolidated Financial Plan for 1950 Governing People-Owned Enterprises Under Central Administration  
(in 1,000 Deutsche marks)

	<u>Total</u>	<u>Coal</u>	<u>Power</u>	<u>Metallurgy</u>
<u>Revenues</u>				
Gross profits	1,057,917	--	86,500	21,600
Transfers to investments	376,795	69,073	67,030	26,830
Surplus of own circulating capital as set down in directive	68,300	18,700	33,500	--
Refunds and guarantees not considered in calculation of circulating capital	223,100	37,900	14,000	5,500
Budgetary appropriations	817,355	94,622	9,782	337,288
Including				
For investments	549,824	50,556	9,782	175,772
For increment of circulating capital	71,400	--	--	20,000
For price supports	196,131	44,066	--	141,516
Total revenues	2,543,467	220,295	210,812	394,218
<u>Expenditures</u>				
Investments	775,901	92,000	50,000	191,870
Including				
From transfer funds	226,077	41,444	40,218	16,098
From budget funds	549,824	50,556	9,782	175,772
Large-scale repairs	150,718	27,629	26,812	10,732
Increment of circulating capital deriving from the budget	71,400	--	--	20,000
Increment of circulating capital deriving from profits	139,400	--	--	--
Calculated losses	196,131	44,066	--	141,516
Refunds and guarantees not considered in calculations	223,100	37,900	14,000	5,500
Payments to fiscal office	986,817	18,700	120,600	24,600
Including				
Surplus operating capital	68,300	18,700	33,500	--
Corporation taxes	687,643	--	56,225	15,990
Net profits turned over	230,874	--	30,275	8,610
Total expenditures	2,543,467	220,295	210,812	394,218

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<u>Chemistry</u>	<u>Machine Bldg and Elec Eng</u>	<u>Light Industry</u>	<u>Minerals and Earths</u>	<u>Food Industry and Fisheries</u>	<u>Bldg Industry</u>
150,500	188,800	445,400	34,900	113,826	13,391
30,800	70,067	71,374	10,801	27,464	3,356
13,700	--	--	2,400	--	--
22,900	72,300	56,000	5,900	6,200	2,400
67,069	142,960	58,676	7,519	68,653	30,786
56,520	102,960	58,676	7,519	68,653	19,386
--	40,000	--	--	--	11,400
10,549	--	--	--	--	--
284,969	474,127	631,450	61,520	216,143	49,933
75,000	145,000	101,500	14,000	85,131	21,400
18,480	42,040	42,824	6,481	16,478	2,014
56,520	102,960	58,676	7,519	68,653	19,386
12,320	28,027	28,550	4,320	10,986	1,342
--	40,000	--	--	--	11,400
--	60,900	55,000	--	19,000	4,500
10,549	--	--	--	--	--
22,900	72,300	56,000	5,900	6,200	2,400
164,200	127,900	390,400	37,300	94,826	8,891
13,700	--	--	2,400	--	--
97,825	122,720	289,510	22,685	73,987	8,701
52,675	5,180	100,890	12,215	20,839	190
284,969	474,127	631,450	61,520	216,143	49,933

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Table 4. Consolidated Financial Plan for 1950  
(in 1,000 Deutsche marks)

<u>People-Owned Trade, and Ministry for Trade and Supply</u>			
<u>Revenues</u>	<u>Total</u>	<u>People-Owned HO (Trade Organization)</u>	<u>Federation of People- Owned Collecting and Purchasing Enterprises</u>
Gross profits	81,261.0	71,861.0	9,400.0
Transfers to investments	3,026.3	2,007.0	1,019.3
Surplus of own circulating capital	--	--	--
Refunds and guarantees not considered in calculation of circulating capital	--	--	--
Contributions of the Investitionsbank for investments	826.7	826.7	--
Budgetary appropriations	128,034.2	18,366.3	109,667.9
Including			
For investments	27,347.0	18,366.3	8,980.7
For increment of circulating capital	100,687.2	--	100,687.2
For price supports	--	--	--
Total revenues	213,148.2	93,061.0	120,087.2
<u>Expenditures</u>			
Investments	31,200.0	21,200.0	10,000.0
Including			
From transfer funds	3,026.3	2,007.0	1,019.3
From budget funds	27,347.0	18,366.3	8,980.7
From funds of the Investitionsbank	826.7	826.7	--
Large-scale repairs	--	--	--
Transfer of amortizations to the Investitions- bank	--	--	--
Increment of circulating capital	103,977.2	--	103,977.2
Including			
From budgetary funds	100,687.2	--	100,687.2
From net profits	3,290.0	--	3,290.0
Calculated losses	--	--	--

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Payments to fiscal office	77,971.0	71,861.0	6,110.0
Including			
Surplus operating capital	--	--	--
Corporation taxes	52,819.0	46,709.0	6,110.0
Net profits turned over	25,152.0	26,152.0	--
Refunds and guarantees not considered	--	--	--
in calculations			
Total expenditures	213,148.2	93,061.0	120,087.2

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People-Owned Trade, and Ministry for Intra-German  
Trade, Foreign Trade, and Material Supply

Total	People-Owned Foreign Trade Centers	People-Owned Trade Centers	Machine Lending Stations	Federation of People- Owned Farms
68,969.9	2,140.5	66,829.4	--	--
826.7	51.3	775.4	4,750.0	8,448.0
--	--	--	--	--
444.0	--	444.0	--	--
--	--	--	--	--
6,304.0	6,304.0	--	140,250.0	65,129.0
--	--	--	--	--
6,304.0	6,304.0	--	80,250.0	16,110.0
--	--	--	60,000.0	49,019.0
--	--	--	--	--
75,544.6	8,495.8	68,048.8	145,000.0	73,577.0
--	--	--	--	--
--	--	--	83,000.0	21,000.0
--	--	--	--	--
--	--	--	2,750.0	4,890.0
--	--	--	80,250.0	16,110.0
--	--	--	--	--
--	--	--	2,000.0	3,558.0
--	--	--	--	--
826.7	51.3	775.4	--	--
15,923.3	7,053.5	8,869.8	--	49,019.0
--	--	--	--	--
6,304.0	6,304.0	--	--	--
9,619.3	749.5	8,869.8	--	--
--	--	--	60,000.0	--

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59,350.6	1,391.0	57,959.6	--	--
--	--	--	--	--
44,829.8	1,391.0	43,438.8	--	--
14,520.8	--	14,520.8	--	--
444.0	--	444.0	--	--
76,544.6	8,495.8	68,048.8	145,000.0	73,577.0

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The 1950 Financial Plan of the Federation of People-Owned Collecting and Purchasing Enterprises covers the following:

Federation of People-Owned Collecting and Purchasing Enterprises for Animal Products

Federation of People-Owned Collecting and Purchasing Enterprises for Vegetable Products

The 1950 Financial Plan of the People-Owned Foreign Trade Centers covers the following:

German Foreign Trade, a public law institution, parent corporation

German Foreign Trade, " " " " Wood Products Division

German Foreign Trade, " " " " Metal Products Division

German Foreign Trade, " " " " Machinery and Electrical Engineering Division

The 1950 Financial Plan of the People-Owned Trade Centers covers the following:

German Motor Fuel and Mineral Oil Center (DKMZ)

German Trade Center for Metallurgical Products

German Trade Center for Cellulose and Paper

German Trade Center for Wood Products

German Trade Center for Textiles

German Trade Center for Shoes and Leather Goods

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Table 5. Consolidated Financial Plan for 1950  
Governing People-Owned Enterprises on Land Level  
(in million Deutsche marks)

	<u>All Laender</u>	<u>Sachsen</u>
<u>Revenues</u>		
Gross profit	179.64	61.96
Transfers to investments	46.46	15.95
Surplus of own circulating capital as set down in directive	7.98	--
Refunds and guarantees not considered in calculation of circulating capital	31.38	14.80
Budgetary appropriations	55.73	16.39
Including		
For investments	40.98	6.89
For increment of circulating capital	9.50	4.50
For price supports	5.25	5.00
Total revenues	321.19	109.10
<u>Expenditures</u>		
Investments:	68.86	16.46
Including		
From transfer funds	27.88	9.57
From budget funds	40.98	6.89
Large-scale repairs	18.58	6.38
Increment of circulating capital deriving from the budget	9.50	4.50
Increment of circulating capital deriving from profits	7.63	4.49
Calculated losses	5.25	5.00
Refunds and guarantees not considered in calculations	31.38	14.80
Payments to fiscal office	179.99	57.47
Including		
Surplus operating capital	7.98	--
Corporation taxes	116.76	40.27
Net profits turned over	55.25	17.20
Total expenditures	321.19	109.10

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<u>Sachsen-Anhalt</u>	<u>Thueringen</u>	<u>Brandenburg</u>	<u>Mecklenburg</u>
38.32	43.98	21.30	14.08
10.07	11.12	5.72	3.60
--	7.98	--	--
2.10	6.70	6.80	0.98
5.51	7.38	10.64	15.81
4.51	7.38	9.64	12.56
1.00	--	1.00	3.00
--	--	--	0.25
56.00	77.16	44.46	34.47
10.56	14.05	13.07	14.72
6.05	6.67	3.43	2.16
4.51	7.38	9.64	12.56
4.02	4.45	2.29	1.44
1.00	--	1.00	3.00
2.41	--	--	0.73
--	--	--	0.25
2.10	6.70	6.80	0.98
35.91	51.96	21.30	13.35
--	7.98	--	--
24.90	28.59	13.85	9.15
11.01	15.39	7.45	4.20
56.00	77.16	44.46	34.47

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Table 6. Extraordinary Budget Plan for 1950  
(in million Deutsche marks)

Expenditures

New farmers, for buildings	145
Private housing	57
Land improvements and agriculture	8
Private industry and mortgages on ships	20
Cooperatives	15
Reserve	5
Total	250

Revenues

Budget allocations	100
Sales of obligations, series IV, through financial institutions	150
Total	250

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